## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554



| In the Matter of  | Office of the Secretary     |
|---|-----------------------------|
| 2006 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996       | ) MB Docket No. 06-121<br>) |
| 2002 Biennial Regulatory Review – Review of the<br>Commission's Broadcast Ownership Rules and Other Rules<br>Adopted Pursuant to Section 202 of the Telecommunications<br>Act of 1996 | ) MB Docket No. 02-277<br>) |
| Cross-Ownership of Broadcast Stations and Newspapers  | ) MM Docket No. 01-235      |
| Rules and Policies Concerning Multiple Ownership of Radio<br>Radio Broadcast Stations in Local Markets  | ) MM Docket No. 01-317      |
| Definition of Radio Markets   | ) MM Docket No. 00-244      |
| Ways to Further Section 257 Mandate and To Build on Earlier Studies   | ) MB Docket No. 04-228      |

To the Commission

## REPLY COMMENTS OF AFRICAN AMERICAN BROADCASTERS IN RESPONSE TO THE SECOND FURTHER NOTICE OF PROPOSED RULEMAKING

The African American Broadcasters identified below respectfully support the Commission's initiative in taking up the proposals of the Diversity and Competition Supporters (MMTC *et al.*) and the Advisory Committee on Diversity for Communications in the Digital Age.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> See 2006 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, MB Docket No. 06-121 et al. (Second Further Notice of Proposed Rulemaking), 22 FCC Rcd 14216 (2007) ("Second FNPRM"). We appreciate that the Commission will accept reply comments in response to the Second FNPRM through November 1, 2007. See Order, DA 07-4107 (released October 12, 2007) at 3 n. 13.

Minority ownership promotes competition and diversity of viewpoints.<sup>2</sup> The market entry barriers that inhibit increased minority ownership and growth are numerous and powerful. The Commission must take a consistent and coordinated approach to fully appreciate and effectively address the primary barriers that cause minority exclusion: access to spectrum, access to capital and access to opportunity. We encourage the Commission to review the *Second FNPRM*'s proposals thoroughly, and develop a comprehensive package of minority ownership initiatives that would be effective and that would appeal to all stakeholders. We offer the following initiatives as first steps the Commission can take to remove the impediments to increased minority ownership:

- Proposal #1: Equal Transactional Opportunity: Barring Discrimination On The Basis Of Race Or Gender In Broadcast Transactions. Requiring a seller to certify that it did not discriminate on the basis of race and gender in the sale is a simple and straightforward way for the Commission to express its core value that discrimination has no place in the media industry. Such a rule would go a long way in reducing a seller's invidious race or gender stereotypes or outright prejudice in deciding among qualified buyers.
- Proposal #8: Nonattribution Of EDP Interests In SDBs. The EDP Rule has too severely restricted a vital form of small business financing -- seller paper. This proposal promotes the increased availability of seller paper for small broadcasters without materially conflicting with the purpose of the EDP Rule.
- Proposal #10: Zero Tolerance For Ownership Rule Abuse. The Commission must be willing to police its ownership rules. For starters, the Commission should announce the same "zero tolerance" policy for ownership fraud that it applies to employment discrimination. Ownership fraud is pervasive, taking the form of strange and complex ownership structures designed to mask the identity of those who truly control media voices. The Commission should enact clear standards and make use of the wide variety of tools at its disposal, including proactive investigations, evidentiary hearings and strict penalties for violations, to put an end to ownership fraud.
- Proposal #24: Advocacy Of Tax Deferral Legislation Designed, To The Extent Possible, To Foster Minority Ownership. The tax certificate policy was by far the most effective method of increasing minority ownership. Under this policy, minority broadcast ownership grew tremendously from 1978 through 1995. The tax policy has always enjoyed broad support, but a strong endorsement from the Commission could play a significant role in Congressional restoration of the policy.
- Proposal #25: Examination Of How To Promote Minority Ownership As An Integral Part Of All FCC General Media Rulemaking Proceedings. The Commission must have an awareness of the impact of its policymaking on minority entrepreneurship. By soliciting comments on how proposed rules could favorably or adversely impact minority entrepreneurship, the Commission will develop a full record and will decrease the likelihood that its rules will have the unintended effect of burdening minority groups.

<sup>&</sup>lt;sup>2</sup> See Initial Comments of Diversity and Competition Supporters, MB Docket 02-277 (Filed January 2, 2003) ("DCS 2003 Comments"), pp. 61-65, 67-71.

• Proposal #26: Ongoing Longitudinal Research On Minority And Women Ownership Trends. The Commission began collecting minority and women ownership data in 1998, yet, nearly ten years later, the Commission's ownership database is deficient and the information is stale. The Commission can combat this result by conducting the census on an annual basis, as opposed to a bi-annual basis. Further, the census should be expanded to include a targeted questionnaire that will provide the Commission with real-time feedback on the impact of its rules on minority's and women's access to capital, spectrum and opportunity.

These and other proposals set out in the *Second FNPRM* deserve the Commission's attention and expedited consideration. The paucity of minority and women ownership is deep and it has gone unaddressed for many years. We applied the Commission's apparent intention to take action and stand ready to assist the agency as it considers and implements initiatives to promote diversity in broadcast ownership.

Respectfully submitted,

The undersigned African American Broadcasters

November 1, 2007

| 3800 Crenshaw Blvd.           |
|-------------------------------|
| Los Angeles, CA 90008         |
| Tel: (323) 291-6803           |
| 2                             |
| By: Danny Sakewell / OH       |
| Name: Danny Bukewell          |
| Title: President              |
| Title. TI STACT               |
|                               |
| D (*117) 1 (* *               |
| Broomfield Broadcasting, Inc. |
| 1201 Main Street, Suite 1920  |
| Columbia, SC 29201            |
| Tel: (803) 765-9032           |
|                               |
| By: John Groonfield / M       |
| Name: John Broomfield         |
| Title: President              |
| 17 (3) (4)                    |
|                               |
| Destiny Communications, LLC   |
| 118 6th St S                  |
| Great Falls, MT 59401         |
| · ·                           |
| Tel: (406) 761-8816           |
| Den                           |
| By:                           |
| Name:                         |
| Title:                        |
|                               |
|                               |
| Miles Ahead Broadcasting      |
| 380 Piermont Avenue           |
| Hillsdale, NJ 07642           |
| Tel: (201) 722-1500           |
|                               |
| By:                           |
| Name:                         |
| Title:                        |
|                               |
|                               |
| Radio One, Inc.               |
| 5900 Princess Garden Parkway  |
| 7th Floor                     |
| Lanham, MD 20706              |
| Tel: (301) 306-1111           |
| 101. (301) 300-1111           |
| D.,,                          |
| By:                           |
| Name:                         |
| Title:                        |

Bakewell Media of Louisiana, LLC

| Bakewell Media of Louisiana, LLC   |
|--|
| 3800 Crenshaw Blvd.  |
| Los Angeles, CA 90008  |
| Tel: (323) 291-6803  |
|  |
| By:  |
| Name:  |
| Title:   |
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|  |
| Broomfield Broadcasting, Inc.  |
| 1201 Main Street, Suite 1920   |
| Columbia, SC 29201   |
| Tel: (803) 765-9032  |
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| By:  |
| Name:  |
| Title:   |
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|  |
| Destiny Communications, LLC  |
| 118 6th St S   |
| Great Falls, MT 59401  |
| Tel: (406) 761-8816  |
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| By: A state of the |
| Name A. Upatano Ton  |
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| Name A. Upatano Ton  |
| Name S. Washington Title: Prosident-CEO  |
| Name A. Upatano Ton  |
| Name A. Markover Title: President - CEO  Miles Ahead Broadcasting 380 Piermont Avenue  |
| Name A. Markoveron<br>Title: President - CEO<br>Miles Ahead Broadcasting<br>380 Piermont Avenue<br>Hillsdale, NJ 07642   |
| Name A. Markover Title: President - CEO  Miles Ahead Broadcasting 380 Piermont Avenue  |
| Name A. Maria Ton<br>Title: Persident CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  |
| Name A. Markoveron<br>Title: President - CEO<br>Miles Ahead Broadcasting<br>380 Piermont Avenue<br>Hillsdale, NJ 07642   |
| Name A. Maria Ton<br>Title: Persident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By:   |
| Name:  Name: Interval to the Title: Tresident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name:   |
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| Name: Title: Tresident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:   |
| Name: Title: Pessident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:  Radio One, Inc.  |
| Name: Title: Tresident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:   |
| Name: Title: Tresident - Ct O  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:  Radio One, Inc. 5900 Princess Garden Parkway 7th Floor  |
| Name: Title: Tresident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:  Radio One, Inc. 5900 Princess Garden Parkway 7th Floor Lanham, MD 20706  |
| Name: Title: Tresident - Ct O  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:  Radio One, Inc. 5900 Princess Garden Parkway 7th Floor  |
| Name: Title: Pessident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:  Radio One, Inc. 5900 Princess Garden Parkway 7th Floor Lanham, MD 20706 Tel: (301) 306-1111  |
| Name: Title: Tresident - CEO  Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500  By: Name: Title:  Radio One, Inc. 5900 Princess Garden Parkway 7th Floor Lanham, MD 20706  |

| Bakewell Media of Louisiana, LLC<br>3800 Crenshaw Blvd.<br>Los Angeles, CA 90008<br>Tel: (323) 291-6803    |
|--|
| By:  |
| Broomfield Broadcasting, Inc.<br>1201 Main Street, Suite 1920<br>Columbia, SC 29201<br>Tel: (803) 765-9032 |
| By:Name: Title:  |
| Destiny Communications, LLC<br>118 6th St S<br>Great Falls, MT 59401<br>Tel: (406) 761-8816                |
| By:  |
| Miles Ahead Broadcasting<br>380 Piermont Avenue<br>Hillsdale, NJ 07642<br>Tel: (201) 722-1500              |
| By: <u>Sheila Eldridge</u> Name: Sheila Eldridge  Title: <u>President</u>                                  |
| Radio One, Inc.<br>5900 Princess Garden Parkway<br>7th Floor<br>Lanham, MD 20706<br>Tel: (301) 306-1111    |
| By:  |

Tel: (323) 291-6803 By:\_\_\_\_ Name: Title:\_\_\_\_\_ Broomfield Broadcasting, Inc. 1201 Main Street, Suite 1920 Columbia, SC 29201 Tel: (803) 765-9032 By: \_\_\_\_\_ Name: Title:\_\_\_\_\_ Destiny Communications, LLC 118 6th St S Great Falls, MT 59401 Tel: (406) 761-8816 By:\_\_\_\_\_ Name: Title: Miles Ahead Broadcasting 380 Piermont Avenue Hillsdale, NJ 07642 Tel: (201) 722-1500 By:\_\_\_\_\_ Name: Title: Radio One, Inc. 5900 Princess Garden Parkway 7th Floor Lanham, MD 20706 Tel: (30/4)-30/6-1111 ( By: ( Name: Title:\_\_\_\_ LINDA J. VILARDO Vice President

Bakewell Media of Louisiana, LLC

3800 Crenshaw Blvd. Los Angeles, CA 90008

Roberts Broadcasting Co. 1408 N Kingshighway, Ste. 300 St. Louis, MO 63113

Tel: (314) 367-4600

By: Michael Roberts
Name: Michael Roberts
Title: President